

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Industrial Promotion - Extension of certain incentives under Industrial Investment Promotion Policy (IIPP) 2005-2010 to M/s Beekay Steel Industries Limited, Bobbili, Vizianagaram District for their proposed Integrated Steel Complex at Bobbili, Vizianagaram District – Sanction - Orders- issued.

INDUSTRIES & COMMERCE (IP) DEPARTMENT

G.O.Rt.No. 01

Dated:01-01-2010

Read the following:

1. M/s. Beekay Steel Industries Limited, Letter dt.09.01.2008.
2. Single File of Commissioner of Industries, Andhra Pradesh, Hyderabad, No.884/2008, dated.20.06.2008.
3. Minutes of the State Investment Promotion Committee (SIPC) Meeting held on 20.02.2009.
4. Minutes of the State Investment Promotion Board (SIPB) Meeting held on 26.08.2009.

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ORDER:-

The Commissioner of Industries, Andhra Pradesh, Hyderabad has reported that M/s Beekay Steel Industries Limited proposes to set up an Integrated Steel Complex in the State to manufacture Steel Billets, Sponge Iron, Long products such as rods, bars, angles, Channels, Beams etc., with an investment of Rs.371 crores at IDA, Bobbili, Vizianagaram District and likely to create an employment for about 470 persons directly and the company requested to extend certain incentives and facilities to their project as per the Andhra Pradesh Industrial Investment Promotion Policy 2005-2010. Further, the Commissioner of Industries, Andhra Pradesh, Hyderabad has reported that manufacturing of Steel Ingots/Billets except Green field Integrated Steel Plants i.e. New Integrated Steel Plant, which produces Steel Billets, Coils, Strips, Slabs or Alloy Steels through Blast Furnace route starting with iron ore and using the liquid metal produced from the Blast Furnace to make Billets, coils, Strips, Slabs or other Steel Alloys without using Electric Arc Furnace or Induction Furnace are eligible for incentives as per Industrial Investment Promotion Policy (IIPP) 2005-2010 without power reimbursement. The unit is not using Blast furnace route and instead producing Sponge Iron through DRI (Direct Reduction Iron) route; further it is using Induction Furnace/Electric Arc Furnace to manufacture Billets; and thus the unit is not eligible for incentives under Industrial Investment Promotion Policy (IIPP) 2005-2010 and requested the Government to take further action in the matter.

2. In the reference 3rd read above, State Investment Promotion Committee (SIPC) has discussed the proposal in detail and State Investment Promotion Committee (SIPC) decided to make this Greenfield integrated Steel Plant unit eligible for incentives under IIPP 2005-10, except Power cost reimbursement, subject to the following conditions and recommended to place the matter before the State Investment Promotion Board (SIPB).

- 1) It shall comply with all pollution control measures prescribed by MoEF (in the EC) and the APPCB.
- 2) The Company should establish Captive Power Plant using waste gases produced in the process.
- 3) It shall meet the criteria of Pipeline Status of Mega Projects.

3. In the reference 4th read above, the State Investment Promotion Board (SIPB) in its meeting held on 26.08.2009 has recommended to extend incentives as per Industrial Investment Promotion Policy (IIPP) 2005-2010 to M/s Beekay Steel Industries Limited, Bobbili, Vizianagaram District which include;

- i) 25% VAT reimbursement for a period of 5 years from the Date of commencement of Commercial Production.
- ii) 100% reimbursement of Stamp duty and transfer duty.

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- iii) 25% rebate in land cost in IEs/IDA's limited to Rs.5 Lakhs.
- iv) 50% subsidy on the expenses incurred for quality certification limited to Rs.1.00 Lakh.
- v) 25% subsidy on cleaner production measures limited to Rs.5 Lakhs and
- vi) 50% subsidy on the expenses incurred for patent registration limited to Rs.5 lakhs.

4. Keeping in view of the above, Government after careful examination, hereby extend the incentives as mentioned at para (3) above to M/s Beekay Steel Industries Limited, Bobbili, Vizianagaram District under Industrial Investment Promotion Policy (IIPP) 2005-2010 as a special case in light of the recommendations of the State Investment Promotion Board (SIPB) dated.26.08.2009.

5. The Commissioner of Industries, Andhra Pradesh Hyderabad shall take necessary action in the matter accordingly and intimate the status of progress of work from time to time to Government.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

**B. SAM BOB,
PRINCIPAL SECRETARY TO GOVERNMENT AND
COMMISSIONER FOR INDUSTRIAL PROMOTION**

To

The Commissioner of Industries, Andhra Pradesh, Hyderabad
M/s Beekay Steels Limited, Vizianagaram District through the Commissioner of Industries,
Andhra Pradesh, Hyderabad.

Copy to:

The Accountant General, Andhra Pradesh, Hyderabad
The Chairman & Managing Director, Andhra Pradesh Industrial Infrastructure Corporation
Limited, Hyderabad.
The Commissioner of Commercial Taxes, Hyderabad
The District Collector, Vizianagaram District.
The General Manager, District Industries Centre, Vizianagaram.
The Finance (Exp.I&C) Dept.,
P.S. to Minister (Major Industries)
P.S. to Spl. CS, Rev. Dept./P.S. to Prl. Secy. to Govt., Rev.(CT) Dept.
P.S. to Spl.CS, Energy Dept./P.S. to Prl. Secy. & CIP/P.S. to Prl. Secy. to CM
The Rev.(CT) Dept./The Energy Dept./P.S. to Secretary (Law)
SC/SF

//Forwarded :: By order//

SECTION OFFICER